

# GREAT EXPECTATIONS

The Bill and Melinda Gates Foundation is the world's biggest grant giving charity and has done much to raise the profile of global health. But critics claim its special brand of philanthropy is damaging health systems in developing countries and distorting aid priorities. **Hannah Brown** reports



Are the Gates's grants achieving their full potential?

Ask anyone with a passing interest in global health what the Gates Foundation means to them and you'll likely get just one answer: money. In a field long fatigued by the perpetual struggle for cash, the foundation's eagerness to finance projects neglected by many other donors raised high hopes among campaigners that its impact on health would be swift and great. And with the commitment last June by America's second richest man, Warren Buffet, to effectively double the foundation's \$30bn (£15bn; €22bn) endowment,<sup>1</sup> hopes of substantial health achievements grew higher still.

But despite Bill Gates's prediction at a press conference to mark Buffet's pledge that there was now "No reason why we can't cure the top 20 diseases"<sup>2</sup> observers are starting to question whether all this money is reaping

sufficient rewards. For although the foundation has given a huge boost to research and development into technologies against some of the world's most devastating and neglected diseases, critics suggest that its reluctance to embrace research, demonstration, and capacity building in health delivery systems is worsening the gap between what technology can do and what is actually happening to health in poor communities. This situation, critics charge, is preventing the Gates's grants from achieving their full potential.

As one of the Gates Foundation's three main focuses, along with global development and its US programme, global health projects receive a substantial amount of the charity's annual spending. To date, almost half of all awards have been in this area, a total of \$6bn. When the Gates Foundation first started this generous spending in 2000, it was greeted with enthusiasm as a refreshing alternative to the staid, sluggish agencies that had until that time dominated global health. More nimble than the bureaucratic intergovernmental organisations of the UN system, including the World Health Organization, the Gates Foundation won respect for prioritising research gaps, promoting new financing mechanisms, and embracing partnerships with key global health actors.

However, the foundation's business-like approach has also gained its fair share of detractors. A commitment to results oriented spending ensures that money is linked to measurable and demonstrable outcomes. But although this strategy makes accounting easier to handle, it has perpetuated vertical,

disease specific funding strategies that damage health systems in developing countries, according to David Sanders, director of the School of Public Health at the University of the Western Cape, South Africa.

These vertical programmes, which are a longstanding feature of many global health initiatives, lead to fragmentation of health systems because they require separate planning, staffing, and management from other health services.<sup>3</sup> Although the programmes can efficiently meet short term targets, Professor Sanders says such successes come at the expense of sustainable improvements in health. "Unless there has been a very concerted effort at preserving local capacity and ensuring retention of staff then it is not a sustainable approach," he says. What is more, he adds, vertical programmes tend to distort government priorities in developing countries, even if local ministers are committed to broad health system improvements. "Even if governments develop coherent policies and integrated plans it is quite difficult to hold that line when your big funders—with more money than those countries' overall health budgets—want to focus on single diseases, often using a single technology rather than a more comprehensive approach," explains Professor Sanders.

## Technology versus delivery

Whereas the foundation contests claims that it is neglecting the strengthening of health systems, co-chairs Bill and Melinda Gates

## WHERE THE GATES MONEY GOES

Malaria \$642m  
Vaccine preventable diseases \$1.9bn  
HIV and AIDS \$1.1bn  
Child health \$164m  
Tuberculosis \$321m  
Nutrition \$191m  
Acute diarrhoeal illness \$89m  
Acute lower respiratory infections \$239m  
Reproductive and maternal health \$522m  
Other infectious diseases \$596m  
Breakthrough science \$448m  
Advocacy \$532m  
Emergency relief \$61m

Grants from 1995-2005 listed in Gates Foundation *Global Health Program Fact Sheet* (March 2006)  
[www.gatesfoundation.org/nr/downloads/globalhealth/GH\\_fact\\_sheet.pdf](http://www.gatesfoundation.org/nr/downloads/globalhealth/GH_fact_sheet.pdf)



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have made no secret of the fact that they see breakthrough technologies as key instruments in global health. The foundation described its policy to the *BMJ*: “Effective and affordable health tools aren’t available for many diseases. For this reason, we have focused a significant portion of our grant-making on discovering and developing new vaccines, drugs, and other tools that could save millions of lives.” However, Anne Mills, of the London School of Hygiene and Tropical Medicine, London, says that unless the foundation starts bridging the existing knowledge gap between proved technologies and how best to deliver them to communities, the problem will just get worse. “When money goes into new technologies you are just going to see more need for evidence on delivery systems to get them into practice,” she explains.

Professor Sanders also believes the Gates Foundation’s penchant for technological solutions limits the public health impact of its programmes because it ignores the realities of life in developing countries. “It is pretty clear that in the countries that I am acquainted with in southern and eastern Africa, the biggest problem is not lack of technology but systems to implement it; health systems have been seriously weakened by years of underfunding as a result of economic crises and structural adjustment,” he says.

One of the starkest examples of the technology-delivery divide is the GAVI Alliance (formerly known as the Global Alliance for Vaccines and Immunisation), a partnership established with a grant from the Gates Foundation in 2001. The alliance was set up at

a time when worldwide immunisation rates were poor after steep rises in the 1980s—led mainly by Unicef—had waned. “Vaccination coverage had stagnated and in Africa it was at a miserable 50%,” explains Professor Sanders. GAVI had the primary aim of enticing the drug industry to produce more and new vaccines. But, says Professor Sanders, “We can’t even administer the old vaccines to children in Africa.”

GAVI has since begun investing directly into health system support for vaccine delivery, but Lincoln Chen, president of the New York based China Medical Board and an associate at Harvard University’s Global Equity Initiative, says that the foundation has not yet achieved an ultimately effective balance. “I don’t think Gates’ investments are yet adequately balanced in closing the gap between what we know and what we can deliver,” he says. “I can understand Gates saying ‘That’s not what a foundation can solve; it is too messy’ but I look at the Rockefeller 100 years ago. It worked the whole system: the human resources in medical education and research, the necessary technologies, and the requisite social institutions for global health. Arguably, Rockefeller’s huge investments in modern scientific medical education<sup>4</sup> and establishing the field of public health<sup>5</sup> were even more important than [its funding of] the discovery of penicillin and yellow fever vaccine. Gates has the opportunity to better balance its catalytic investments for the 21st century,” he says.

**“It’s not as quick as it used to be and not as predictable as more established research funders”**

### Growing criticism

The foundation is also attracting negative comments from other quarters. Grant recipients note that it is getting slower at processing applications and often seems to be giving mixed signals on funding priorities. “[The foundation] is at an uncomfortable stage”, says Professor Mills. “It’s not as quick and fast as it used to be and not as predictable as more established research funders.” While the increasing tiresome administrative processes can be explained by increased interest following Warren Buffett’s donation, the Gates Foundation admits it might need to grow. “We are expanding our internal capacity to keep pace with the growing endowment and interest,” a spokesperson said.

Critics also frequently chide the organisation for its choice of predominantly northern institutions when awarding grants, citing substantial funding commitments for the Seattle based Programme for Appropriate Technologies in Health and several academic institutions, including the London School of Hygiene and Tropical Medicine and Harvard University. But the most recent bout of negative publicity emerged after a minor scandal about the foundation’s

endowment investments. An investigation by the *LA Times* published in January this year revealed that, although the foundation

refuses to put money into tobacco companies, it is not averse to buying stock in firms responsible for releasing harmful pollutants or keeping prices of HIV drugs unaffordably high.<sup>6,7</sup> The foundation caused further consternation among health campaigners in its response to the investigation: after initially announcing a review of its investment policies in the wake of the *LA Times*’ reports, it later issued a detailed statement explaining that no changes would be made.<sup>8</sup>

David McCoy, editor of Global Health Watch, sees this move as “Exposing the hypocrisy of the Gates Foundation and the double standards that it employs.” He says that the foundation’s decision exemplifies the fact that it is prepared to confront only obvious health problems while continuing to ignore the wider political and social issues. Dr McCoy notes the irony behind the fact that the foundation’s enormous wealth is derived



# PRAISE AND CRITICISM FOR THE GATES FOUNDATION

Pros	Cons
Raised profile of global health	Focus on technology rather than delivery
Forced UN and other agencies to rethink role	Perpetuated vertical programmes; not strengthening existing health systems
Created a more stable environment for research	Funding mainly goes to northern organisations
Brought in much needed funds	Too slow to make decisions
	Not sufficiently accountable

from the very distortions and injustices in the global political economy that keeps billions of people impoverished and unable to access health care. “The mere fact that we have one individual able to concentrate and accumulate so much wealth points to more fundamental questions about the way that the global political economy is organised, and we need a bigger discussion about how to shift the proceeds of economic growth to more people,” he says. He adds that while even grand-scale grant giving may seem to be a beneficial action, philanthropy can actually make underlying social and economic problems—the true determinants of health—more difficult to resolve because it can hinder health system development.

Finally, as with all private philanthropic organisations, the Gates Foundation attracts criticism for the simple reason that its money is private and therefore not really open to public accountability. According to Dr McCoy, the large degree to which the foundation has become a funder of independent academic institutions, non-governmental organisations, global health agencies, and even journalists raises concerns about self censorship and a reluctance to subject itself to proper scrutiny. The foundation counters that it is continuously striving for openness through providing detailed information about grants on its website and seeking external opinions on some funding requests.

For some, however, having to rely on the foundation’s commitment to accountability is not sufficient, given the influence it enjoys. Anne-Emanuelle Birn, Canada chair in international health at the University of Toronto, thinks that because the foundation only part-funds most initiatives, and selectively picks good performers, that its decisions influence other donors’ choices about where to put their money. This means, according to Dr Birn, that although the Gates Foundation’s

grants may not be making a huge impact on the ground, it is substantially affecting global health priorities.

“When the Gates Foundation invests there are a whole range of bilateral agencies and governments that are interested in joining on,” says Dr Birn. “Organisations want to be associated with what are perceived to be successful initiatives.” And this influence on how taxpayers’ money is spent should, she argues, confer greater responsibility. Dr Birn, Dr McCoy, and Professor Sanders all share the belief that the Gates Foundation—and Bill Gates himself—should use its profile and clout in financial circles to lobby for changes to improve the economic condition of developing countries as well as funding health programmes.

## Positive effect

One thing observers do not contest is that in the seven years since the foundation was set up, it has been a key advocate for global health as an issue of international concern. “The field is not treated any more like a charity side show in part because Gates entered with money and has given the field visibility,” says Professor Chen. And, importantly, the foundation’s existence has prompted the traditional global health actors to take a much-needed look at what niche they can occupy now. For example, says Professor Mills, “because Gates is coming with an awful lot of money it has stimulated the [Unicef, UN Development Programme, World Bank, and WHO sponsored] Special Programme for Research and Training in Tropical Diseases to rethink its core business to focus on southern partnerships and developing capacity because it can’t compete in terms of the volume of money for scientific investments.”

The foundation has also created a more stable environment for research. Professor

Mills says the scale of the funding available through the foundation has enabled a different approach to research from that allowed by the necessarily restricted traditional sources of global health funding. “The research agenda surrounding potential new tools, such as intermittent presumptive treatment of malaria in infants, can now be addressed in a set of coordinated studies, rather than piecemeal as funding permits,” she explains. However, to make the organisation more successful in terms of global health outcomes, she agrees that it must extend its funding to aid countries with policy choices and decision making. “My hope is that Gates will come to realise they do have to engage with health systems research. If they don’t we will have many new technologies but they won’t get used,” says Professor Mills.

While conceding that “the initial funding hasn’t yet translated into anything dramatic in the field,” Professor Chen believes that Bill and Melinda Gates at least seem to have the right motivation for the task of co-chairing the world’s biggest grant-giving charity. “I think they are honestly trying to do a good job,” he says. “Much of the innovation and creativity of philanthropy is about taking some risks to achieve breakthrough results.”

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